

# **City of Marietta Employees Pension Plan**

Investment Performance Analysis

For Period Ended  
September 30, 2014

We have compiled the accompanying summary of the market value, performance statistics and performance results of City of Marietta Employees Pension Plan as of September 30, 2014. Our responsibility is to evaluate the performance results of the investment advisors or unregistered money managers through comparisons with market indices and other universe performance data deemed appropriate and to make observations and recommendations thereon.

We performed time-weighted rates of return and internal rate of return calculations in accordance with standards recommended by the CFA Institute. The calculations performed are based on information provided to us by the custodians, administrators, investment advisors, and/or unregistered money managers. Our approach is to analyze transactions reflected in the custodian and/or administrator statements as well as review the audited market values of the portfolio. This provides us with a reasonable basis, not absolute, that the investment information presented is free from a significant misstatement. We believe that our method of evaluating and measuring performance results contained herein provides us a reasonable basis for our observations and recommendations.

The investment information referred to above presents the market value as of September 30, 2014 and the performance results of the investment advisors or unregistered money managers for the calendar quarter. Based on our procedures, nothing came to our attention that would cause us to believe the information is significantly misstated; however, we do not warrant the complete accuracy of the information.

GAVION does not provide legal or tax advice to clients. All clients with tax considerations, including the effect of UBTI resulting from alternative investment strategies, are strongly urged to consult their tax advisers regarding such issues. A copy of GAVION's current Form ADV Part II may be obtained by contacting the firm's compliance department at (901)-761-8080.

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Past performance is no guarantee of future results.

GAVION, LLC

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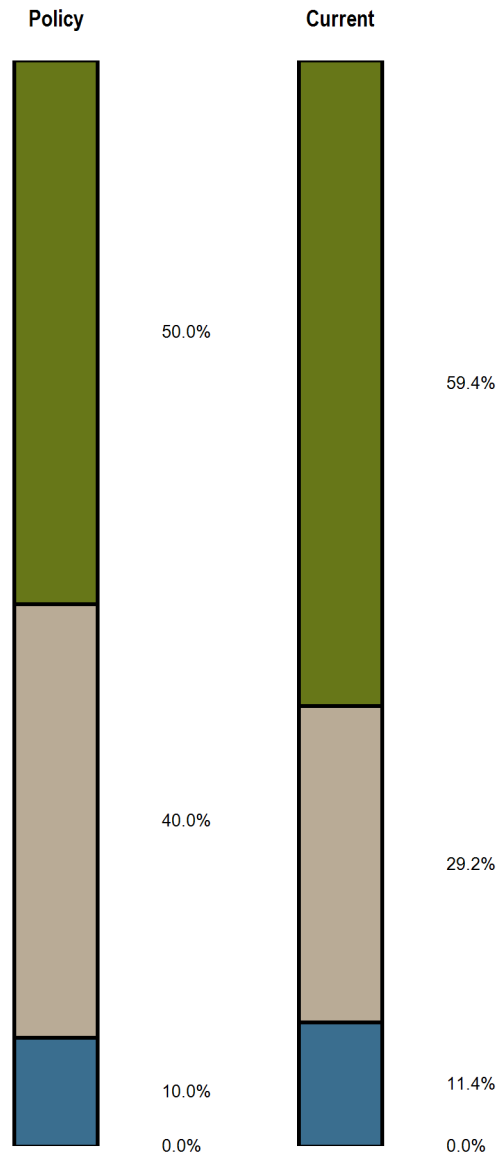
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## **Total Fund Analysis**

## Asset Allocation vs. Target Policy

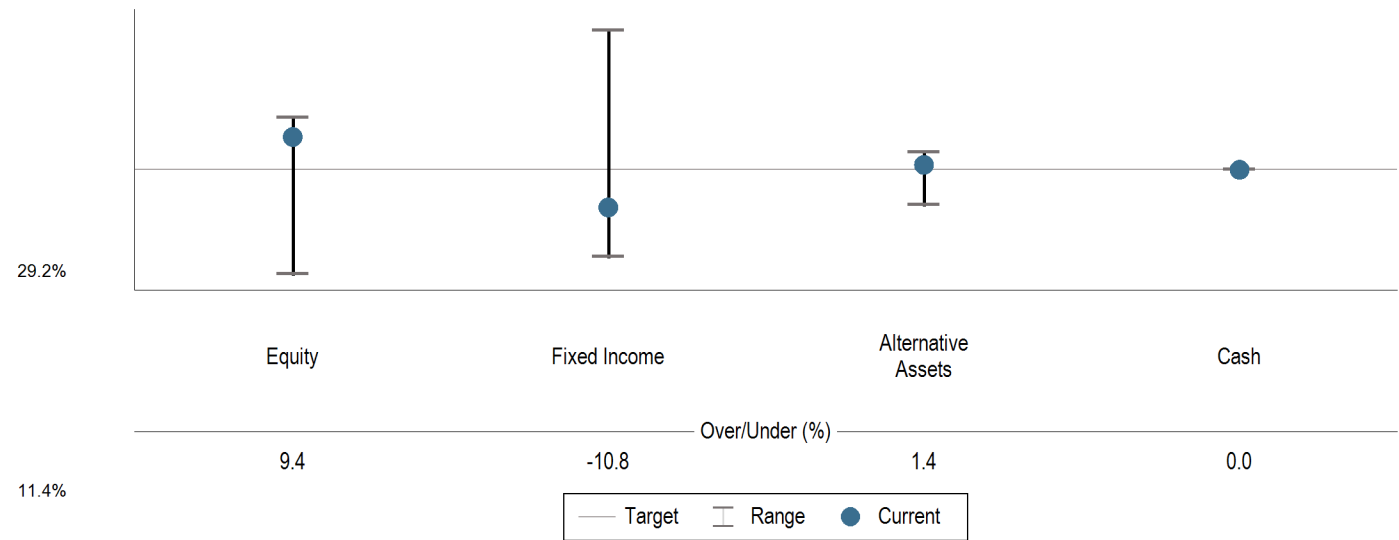
Total Portfolio


**Asset Allocation vs. Target**  
**As Of September 30, 2014**

	Policy Range	Policy	%	Current	%	Difference*	%
Equity	20.0% - 65.0%	\$46,881,690	50.0%	\$55,693,557	59.4%	\$8,811,867	9.4%
Fixed Income	15.0% - 80.0%	\$37,505,352	40.0%	\$27,367,669	29.2%	-\$10,137,683	-10.8%
Alternative Assets	0.0% - 15.0%	\$9,376,338	10.0%	\$10,699,414	11.4%	\$1,323,076	1.4%
Cash	0.0% - 0.0%	\$0	0.0%	\$2,741	0.0%	\$2,741	0.0%
<b>Total</b>		<b>\$93,763,381</b>	<b>100.0%</b>	<b>\$93,763,381</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

## Actual vs. Target



## Cash Flow Summary

Total Portfolio

## Cash Flow Summary

Fiscal YTD Ending September 30, 2014

	Beginning Market Value	Withdrawals	Contributions	Fees	Net Investment Change	Ending Market Value	Period Return
Eagle Capital Management	\$17,502,612	-\$999,597	\$0	-\$201,426	\$4,443,842	\$20,946,858	19.83%
Advisory Research Small Mid Cap Value	\$14,040,287	-\$1,596,545	\$0	-\$200,957	\$2,581,392	\$15,025,134	14.10%
Westfield Capital All Cap	\$15,093,888	-\$1,598,819	\$0	-\$136,015	\$4,450,697	\$17,945,765	22.97%
Energy Opportunities Capital	\$1,651,318	-\$3,236	\$0	-\$22,849	\$127,720	\$1,775,801	6.14%
Sage Advisory Core Taxable Fixed Income	\$14,028,476	-\$1,068,515	\$0	-\$66,909	\$551,624	\$13,511,585	3.21%
Mackay Shields Core Investment Grade Fund	\$14,349,475	-\$14,450,964	\$0	\$0	\$101,489	--	--
Orleans Capital Management Investment Grade Fixed Income	--	-\$900,010	\$14,450,964	-\$9,063	\$305,130	\$13,856,084	--
Victory Investment Grade Convertible Securities	\$6,418,308	-\$6,547	\$2,970,000	-\$10,029	\$1,317,653	\$10,699,414	16.54%
Cash	\$3,956	-\$3,158,021	\$3,156,800	\$0	\$6	\$2,741	0.05%
<b>Total</b>	<b>\$83,088,320</b>	<b>-\$23,782,255</b>	<b>\$20,577,764</b>	<b>-\$647,248</b>	<b>\$13,879,552</b>	<b>\$93,763,381</b>	<b>13.20%</b>

## Performance Summary

## Total Portfolio

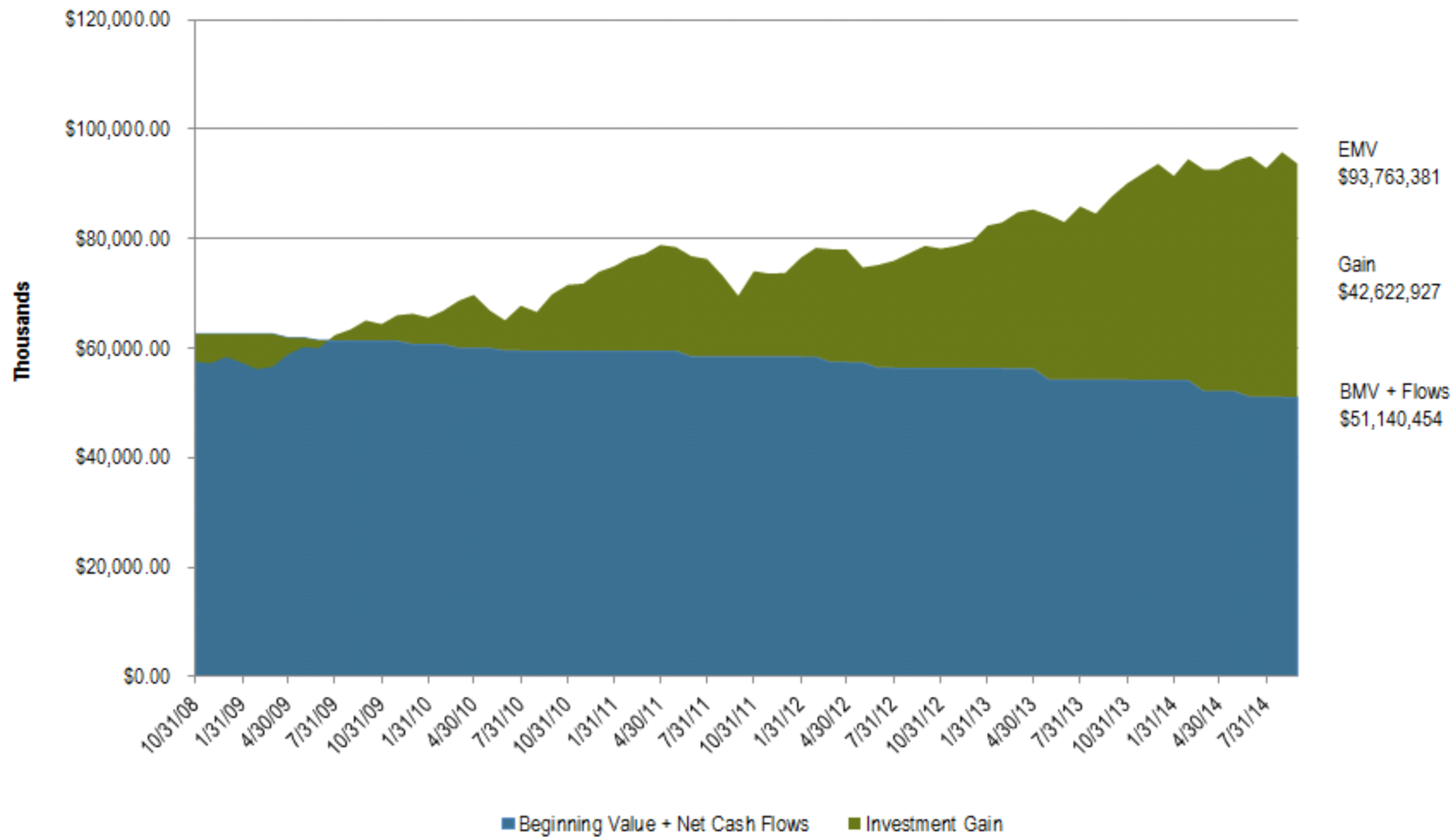
	Market Value (\$)	% of Portfolio	Ending September 30, 2014						Inception	
			3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund</b>	<b>93,763,381</b>	<b>100.0</b>	<b>-1.4</b>	<b>3.4</b>	<b>10.6</b>	<b>13.7</b>	<b>10.1</b>	<b>6.8</b>	<b>8.5</b>	<b>Dec-90</b>
45% S&P 500 / 45% Barclays Agg / 10% ML Conv			0.7	6.7	12.1	12.8	10.1	6.5	8.5	Dec-90
35% S&P 500 / 45% Barclays Agg / 10% ML Conv / 10% ACWI x US			0.1	5.9	10.7	11.7	9.1	6.4	--	Dec-90
<b>Total Equity</b>	<b>55,693,557</b>	<b>59.4</b>	<b>-2.4</b>	<b>3.1</b>	<b>14.2</b>	<b>22.0</b>	<b>15.4</b>	<b>--</b>	<b>11.6</b>	<b>Aug-08</b>
S&P 500			1.1	8.3	19.7	23.0	15.7	8.1	9.7	Aug-08
<b>Total Domestic Equity</b>	<b>55,693,557</b>	<b>59.4</b>	<b>-2.4</b>	<b>3.1</b>	<b>14.2</b>	<b>22.5</b>	<b>16.2</b>	<b>--</b>	<b>20.6</b>	<b>Feb-09</b>
Eagle Capital Management	20,946,858	22.3	1.6	7.0	17.7	23.7	18.1	--	21.7	Mar-09
S&P 500			1.1	8.3	19.7	23.0	15.7	8.1	20.4	Mar-09
Advisory Research Small Mid Cap Value	15,025,134	16.0	-8.0	-3.3	8.0	19.5	14.3	--	19.6	Mar-09
Russell 2500 Value			-6.4	1.0	9.9	22.8	15.2	8.7	21.8	Mar-09
Westfield Capital All Cap	17,945,765	19.1	-0.8	5.0	17.4	25.1	16.4	--	20.1	Mar-09
Russell 3000 Growth			0.9	6.9	17.9	22.4	16.4	9.0	21.0	Mar-09
Energy Opportunities Capital	1,775,801	1.9	-12.4	-2.4	-0.1	11.5	--	--	6.2	Mar-10
OIH/XLE Blended Energy Index			-11.6	3.6	9.1	15.8	10.1	10.5	9.5	Mar-10
<b>Total Fixed Income</b>	<b>27,367,669</b>	<b>29.2</b>	<b>0.0</b>	<b>2.5</b>	<b>3.0</b>	<b>2.1</b>	<b>3.3</b>	<b>--</b>	<b>4.4</b>	<b>Aug-08</b>
Sage Advisory Core Taxable Fixed Income	13,511,585	14.4	0.1	3.7	3.7	2.6	--	--	3.7	Dec-09
Barclays Aggregate			0.2	4.1	4.0	2.4	4.1	4.6	4.3	Dec-09
Orleans Capital Management Investment Grade Fixed Income	13,856,084	14.8	-0.2	2.4	--	--	--	--	2.4	Jan-14
Barclays Govt/Credit			0.2	4.1	4.1	2.5	4.3	4.6	4.1	Jan-14
<b>Total Alternative</b>	<b>10,699,414</b>	<b>11.4</b>	<b>1.5</b>	<b>9.6</b>	<b>14.5</b>	<b>13.7</b>	<b>9.6</b>	<b>--</b>	<b>12.6</b>	<b>Mar-09</b>
Victory Investment Grade Convertible Securities	10,699,414	11.4	1.5	9.6	14.5	13.7	9.6	--	12.6	Mar-09
Merrill Lynch Investment Grade Convertibles ex 144a			1.4	10.5	16.1	15.6	10.1	5.0	13.5	Mar-09
<b>Total Cash</b>	<b>2,741</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>0.3</b>	<b>Feb-09</b>
Cash	2,741	0.0	0.0	0.1	0.1	0.1	0.1	--	0.3	Feb-09
91 Day T-Bills			0.0	0.0	0.0	0.0	0.1	1.5	0.1	Feb-09



## Growth of Assets

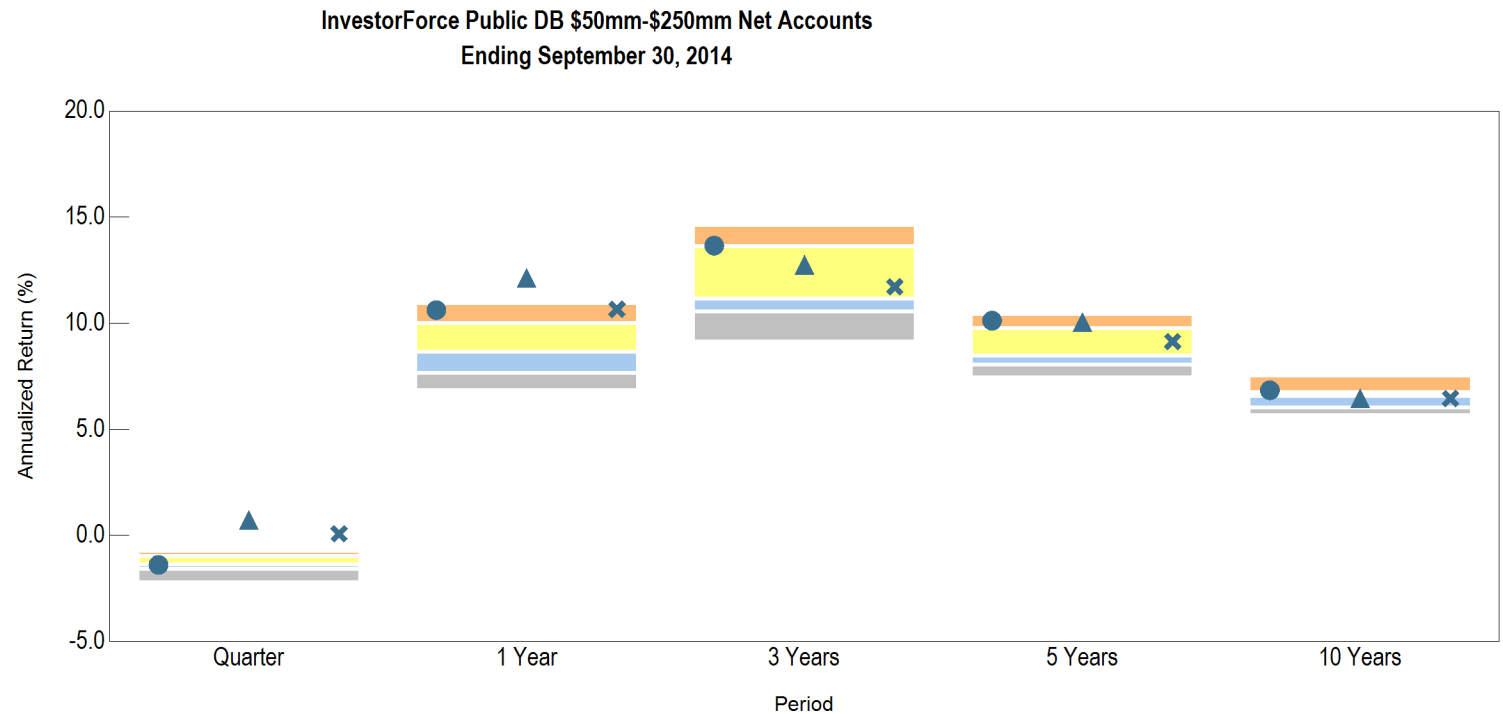
## Total Portfolio

Ending September 30, 2014



## Universe Comparison

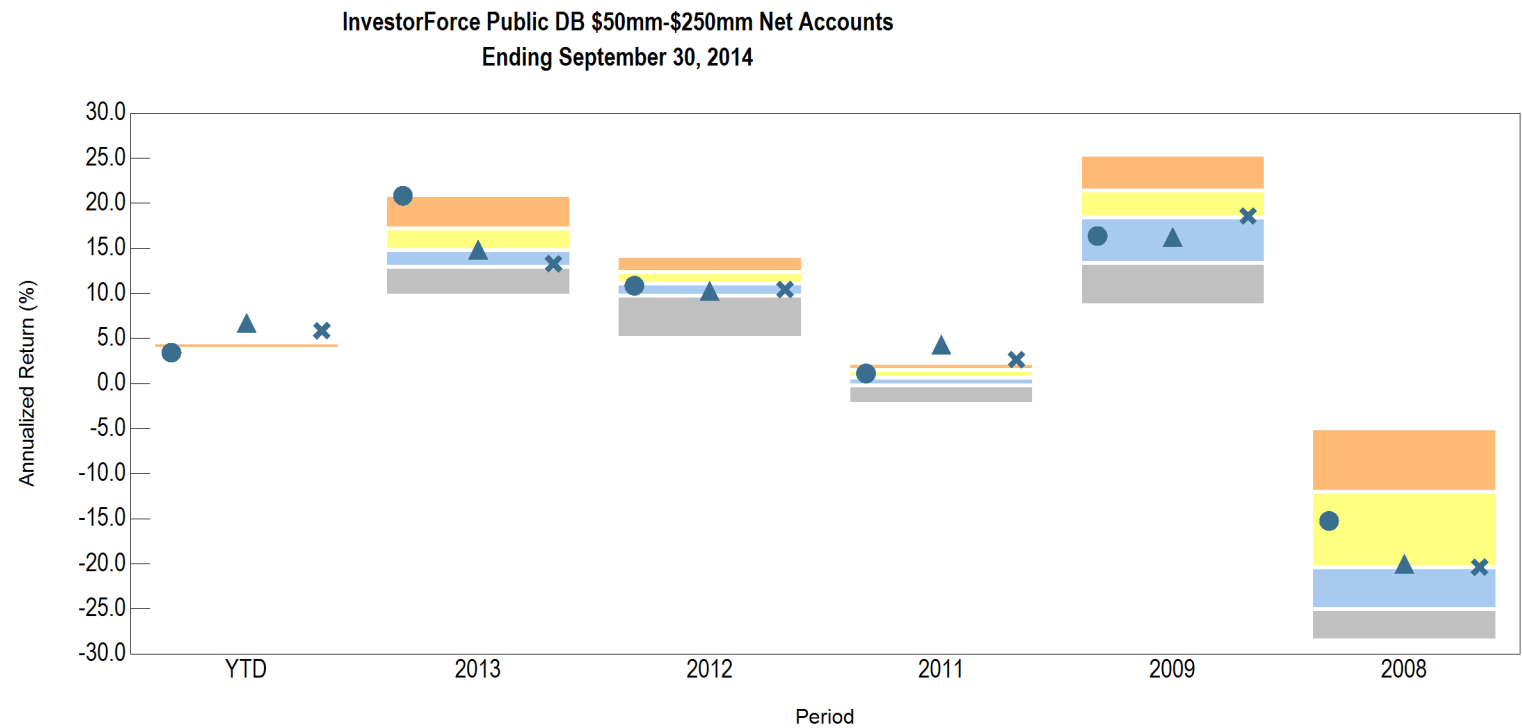
## Total Portfolio



	Return (Rank)									
5th Percentile	-0.7		10.9		14.6		10.4		7.5	
25th Percentile	-1.0		10.0		13.7		9.8		6.8	
Median	-1.3		8.7		11.2		8.5		6.6	
75th Percentile	-1.6		7.7		10.6		8.1		6.0	
95th Percentile	-2.2		6.9		9.1		7.5		5.7	
# of Portfolios	31		30		29		26		19	
● Total Fund	-1.4	(54)	10.6	(7)	13.7	(25)	10.1	(17)	6.8	(22)
▲ 45% S&P 500 / 45% Barclays Agg / 10% ML C	0.7	(1)	12.1	(1)	12.8	(32)	10.1	(20)	6.5	(60)
✕ 35% S&P 500 / 45% Barclays Agg / 10% ML C	0.1	(1)	10.7	(7)	11.7	(44)	9.1	(35)	6.4	(61)

## Universe Comparison

## Total Portfolio



	Return (Rank)											
5th Percentile	4.5		20.8		14.1		2.3		25.3		-5.0	
25th Percentile	3.9		17.2		12.4		1.5		21.4		-12.0	
Median	3.5		14.9		11.1		0.7		18.4		-20.3	
75th Percentile	3.2		12.9		9.8		-0.2		13.4		-25.0	
95th Percentile	2.8		9.8		5.1		-2.3		8.7		-28.5	
# of Portfolios	31		55		48		42		39		38	
● Total Fund	3.4	(57)	20.8	(6)	10.8	(58)	1.1	(37)	16.4	(56)	-15.3	(46)
▲ 45% S&P 500 / 45% Barclays Agg / 10% ML C	6.7	(1)	14.8	(51)	10.3	(67)	4.3	(1)	16.2	(56)	-20.0	(49)
✕ 35% S&P 500 / 45% Barclays Agg / 10% ML C	5.9	(1)	13.3	(73)	10.4	(64)	2.6	(1)	18.6	(50)	-20.4	(51)



## **Domestic Equity Analysis**

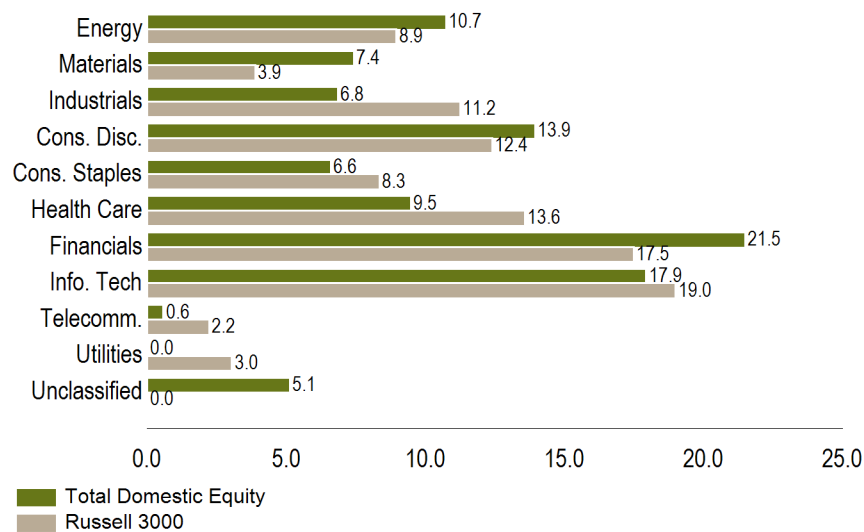
## Equity Analysis

## Total Domestic Equity

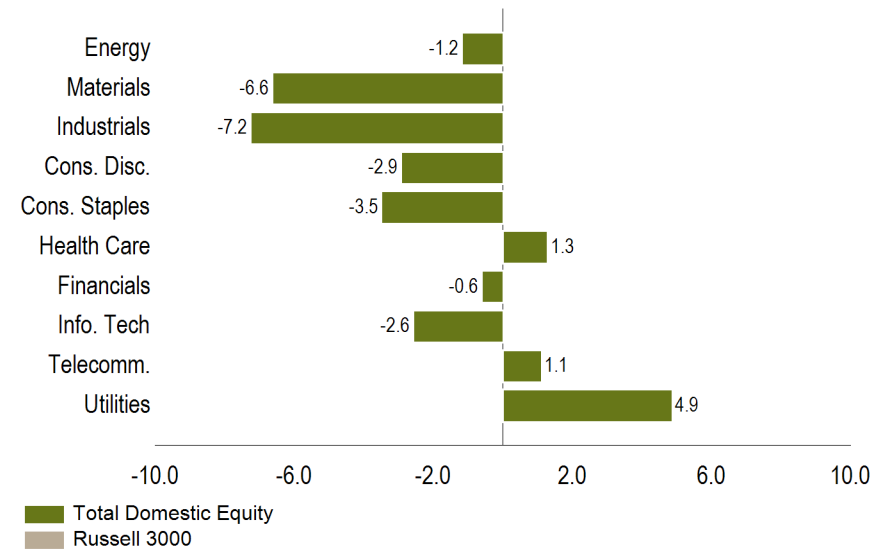
## Equity Characteristics

	Portfolio	Russell 3000
Number of Holdings	152	2,983
Weighted Avg. Market Cap. (\$B)	76.71	107.43
Median Market Cap. (\$B)	11.08	1.46
Price To Earnings	22.72	20.46
Price To Book	3.86	2.64
Price To Sales	3.50	1.80
Return on Equity (%)	16.54	16.99
Yield (%)	1.15	1.90

## Sector Allocation (%) vs Russell 3000



## Sector Excess Returns (%) vs Russell 3000



## Equity Analysis

## Total Domestic Equity

## Top Holdings

MICROSOFT	3.42%
BERKSHIRE HATHAWAY 'B'	3.09%
ORACLE	2.67%
LIBERTY GLOBAL PLC SHS CL C ISIN #GB00B8W67B19	2.48%
CITIGROUP	2.12%
THERMO FISHER SCIENTIFIC	1.75%
TWENTY-FIRST CENTURY FOX CL.B	1.74%
APPLE	1.71%
ECOLAB	1.70%
AON CLASS A	1.56%

## Top Positive Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
BERKSHIRE HATHAWAY 'B' (BRKB)	3.03%	1.16%	0.14%	9.15%
CITIGROUP (C)	2.07%	0.72%	0.11%	10.04%
DELEK US HOLDINGS (DK)	0.72%	0.01%	0.09%	17.83%
CELGENE (CELG)	1.24%	0.35%	0.08%	10.36%
MORGAN STANLEY (MS)	1.26%	0.24%	0.08%	7.26%
COOPER COS. (COO)	0.49%	0.03%	0.07%	14.94%
MICROSOFT (MSFT)	3.35%	1.76%	0.06%	11.86%
POLARIS INDUSTRIES (PII)	0.50%	0.05%	0.06%	15.39%
ACTAVIS (ACT)	0.95%	0.28%	0.06%	8.17%
SCHLUMBERGER (SLB)	0.24%	0.61%	0.06%	-13.47%

## Top Negative Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
TRIBUNE MEDIA CL.A (TRBAA)	1.17%		-0.21%	-17.30%
ALEXANDER & BALDWIN (ALEX)	1.36%	0.01%	-0.19%	-13.13%
OSHKOSH (OSK)	0.99%	0.02%	-0.18%	-20.24%
SINCLAIR BROADCAST 'A' (SBGI)	0.14%	0.01%	-0.17%	-24.50%
NOBLE ENERGY (NBL)	1.49%	0.11%	-0.17%	-11.51%
GULFPORT ENERGY (GPOR)	1.12%	0.02%	-0.15%	-14.97%
ALLEGHENY TECHS. (ATI)	0.93%	0.02%	-0.15%	-17.38%
OWENS CORNING (OC)	0.55%	0.02%	-0.14%	-17.56%
ENCORE WIRE (WIRE)	0.53%	0.00%	-0.14%	-24.34%
ORACLE (ORCL)	2.62%	0.58%	-0.14%	-5.27%





# **Investment Manager Analysis**

## Eagle Capital Management

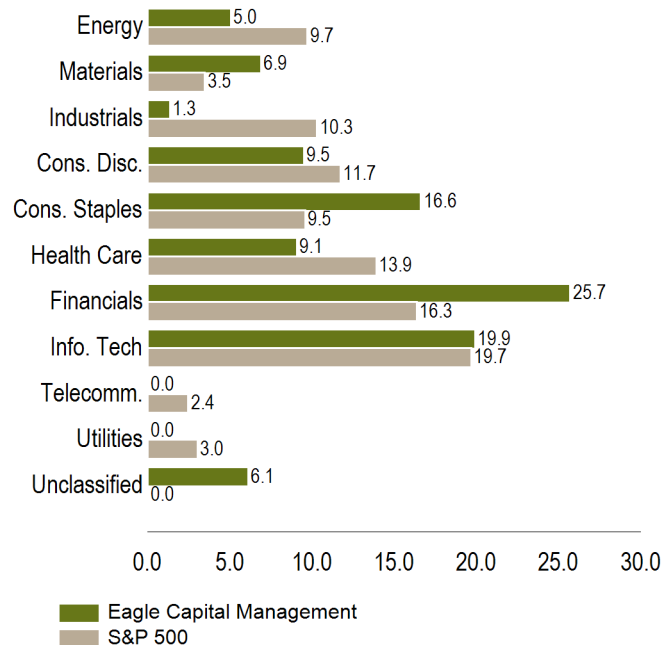
September 30, 2014

Eagle's decision-making process is a bottom-up focus on companies undergoing significant change. They are looking for management teams with a vision to meaningfully change the company over the next three to five years. They must understand the corporation's strategy, evaluate it, judge management's record and ability to execute and ensure that they have the necessary resources. They then confirm that the company is undervalued. Their universe is ranked from companies that they know from adjacent opportunities and from dialogues with cutting-edge thinkers in different industries. While they use databases to highlight mispriced stocks, they do not take reported numbers at face value. Almost all of their value-added comes from original research. Frequent meetings with management, other employees and competitors, suppliers, and customers are integral to their process.

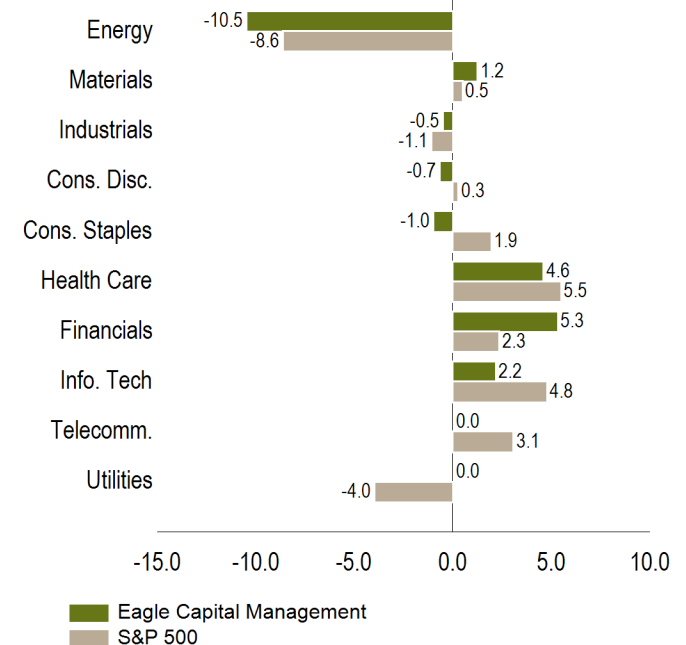
### Top Holdings

BERKSHIRE HATHAWAY 'B'	8.1%
ORACLE	7.0%
MICROSOFT	6.8%
CITIGROUP	5.6%
LIBERTY GLOBAL PLC SHS CL C ISIN #GB00B8W67B19	5.2%
TWENTY-FIRST CENTURY FOX CL.B	4.6%
ECOLAB	4.5%
AON CLASS A	4.1%
UNITEDHEALTH GROUP	3.9%
NOBLE ENERGY	3.8%

### Sector Allocation (%) vs S&P 500



### Sector Returns (%) vs S&P 500

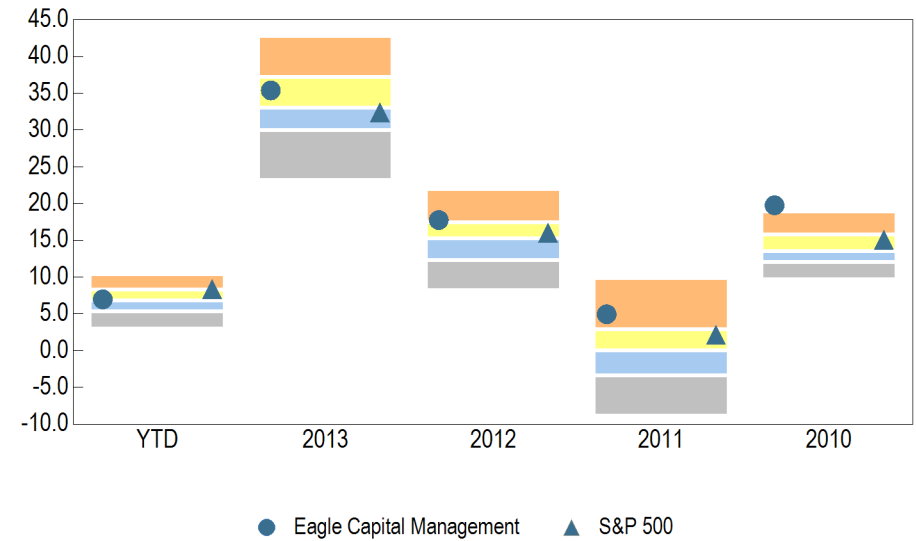


	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Eagle Capital Management</b>	<b>1.6 %</b>	<b>8</b>	<b>7.0 %</b>	<b>49</b>	<b>17.7 %</b>	<b>48</b>	<b>23.7 %</b>	<b>33</b>	<b>18.1 %</b>	<b>4</b>
S&P 500	1.1	15	8.3	26	19.7	25	23.0	43	15.7	30

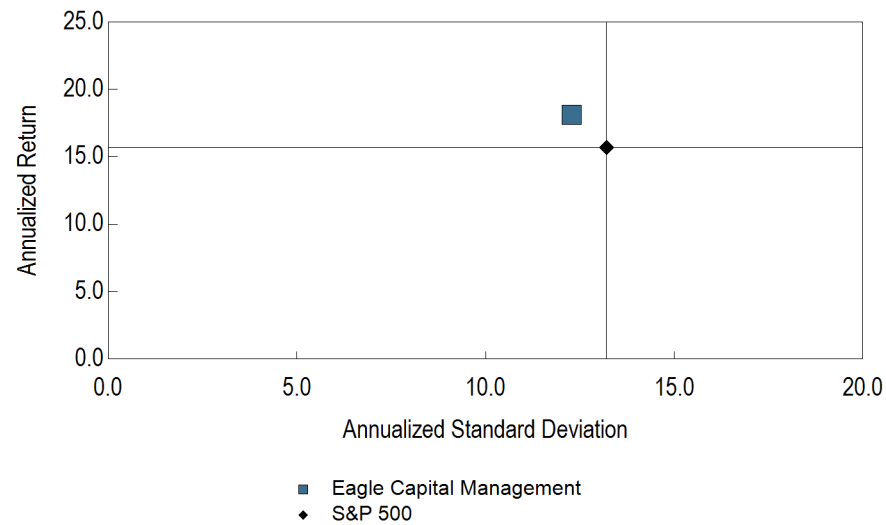
## Characteristics

	Portfolio	S&P 500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	20.72	20.27
P/E Excluding Negative Earnings	20.72	20.33
P/E Median	19.11	20.25
Price To Book	3.75	3.99
Price To Book Median	3.24	3.10
Price To Cash Flow	13.93	13.02
Price To Sales	2.94	2.73
Dividend Yield (%)	1.25	2.03
Weighted Ave. Market Cap. (\$B)	121.02	122.86
Median Market Cap. (\$B)	67.87	17.02

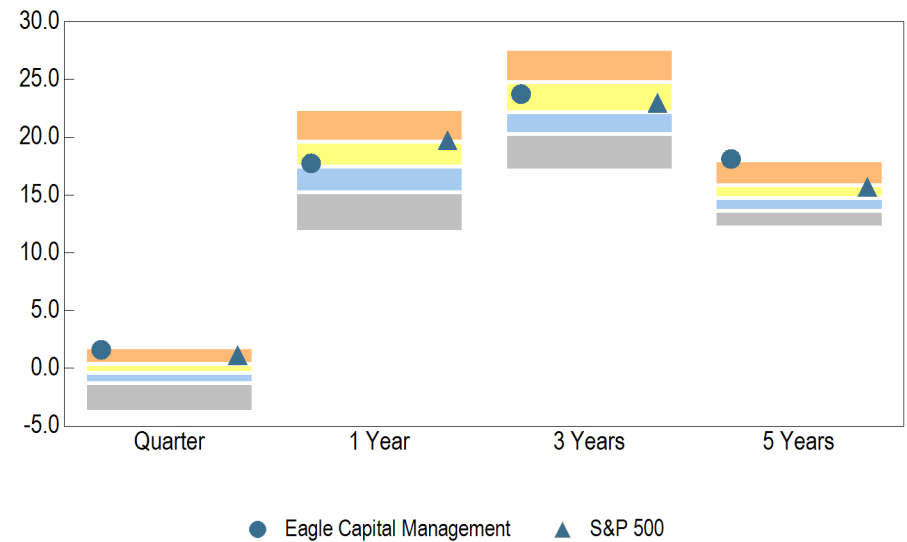
eA US Large Cap Value Equity Net Accounts  
Ending September 30, 2014



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2014



eA US Large Cap Value Equity Net Accounts  
Ending September 30, 2014



## Advisory Research Small Mid Cap Value

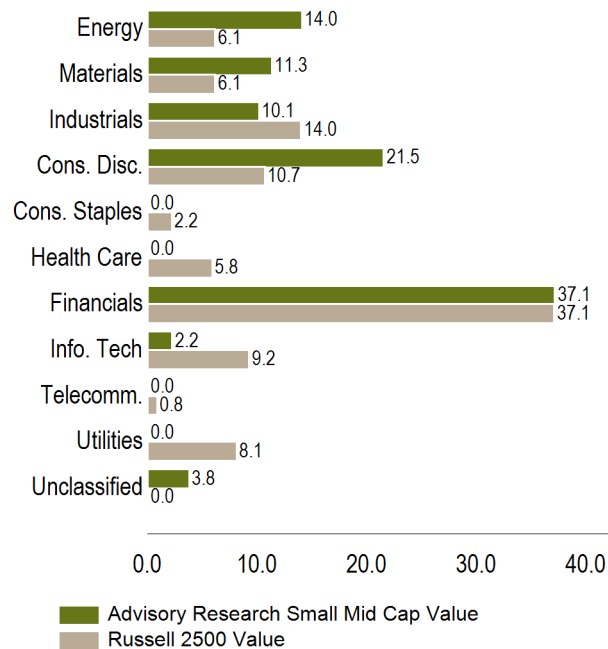
September 30, 2014

Advisory Research's Small-Mid Cap Value philosophy focuses on the investment of stocks that are believed to be undervalued on a price-to-book basis. These stocks have, in their opinion, minimal downside risk. The companies that provide the firm with the best opportunities are those with undervalued assets that are typically off the radar screens of most firms or have been abandoned by the investment community. Once these companies have been pinpointed, the firm attempts to identify a catalyst that will cause the valuation of the company to be realized in the market place.

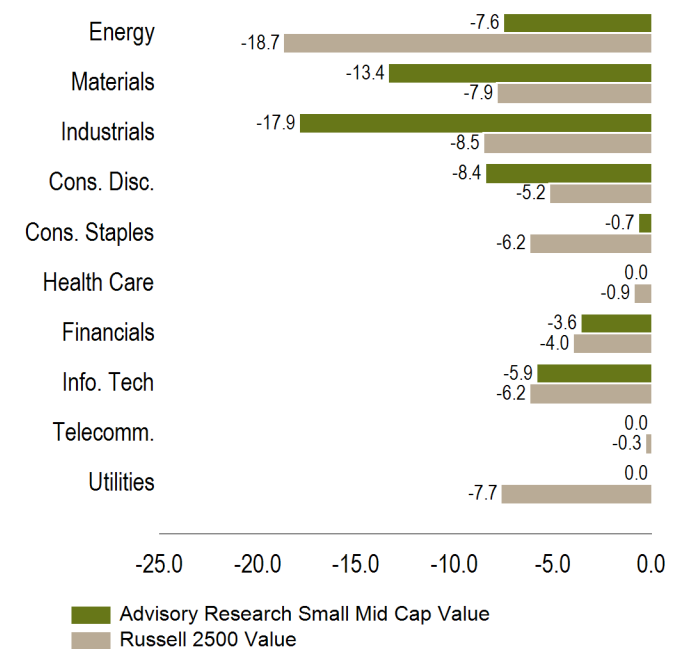
## Top Holdings

TRIBUNE MEDIA CL.A	4.4%
ALLIED WORLD ASR.CO.HDG.	4.4%
GULFPORT ENERGY	4.2%
OSHKOSH	3.7%
NEWS 'A'	3.6%
CST BRANDS	3.6%
ALLEGHENY TECHS.	3.5%
PIONEER NTRL.RES.	3.5%
COMERICA	3.4%
ALEXANDER & BALDWIN	3.4%

## Sector Allocation (%) vs Russell 2500 Value



## Sector Returns (%) vs Russell 2500 Value

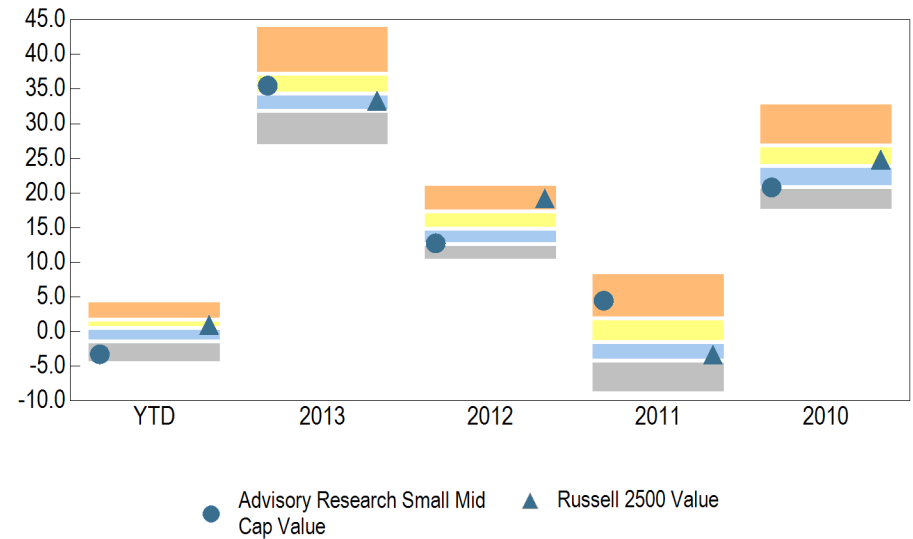


	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Advisory Research Small Mid Cap Value</b>	<b>-8.0 %</b>	<b>87</b>	<b>-3.3 %</b>	<b>87</b>	<b>8.0 %</b>	<b>59</b>	<b>19.5 %</b>	<b>80</b>	<b>14.3 %</b>	<b>68</b>
Russell 2500 Value	-6.4	77	1.0	43	9.9	40	22.8	34	15.2	49

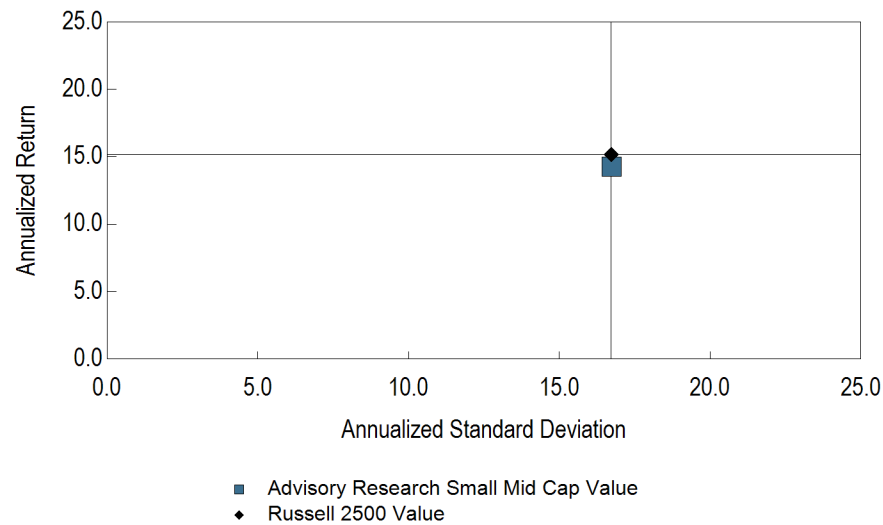
## Characteristics

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	21.73	21.39
P/E Excluding Negative Earnings	21.73	17.75
P/E Median	17.23	21.35
Price To Book	2.10	1.58
Price To Book Median	1.59	1.62
Price To Cash Flow	12.43	12.27
Price To Sales	3.13	1.33
Dividend Yield (%)	1.09	2.04
Weighted Ave. Market Cap. (\$B)	5.55	3.65
Median Market Cap. (\$B)	3.74	0.92

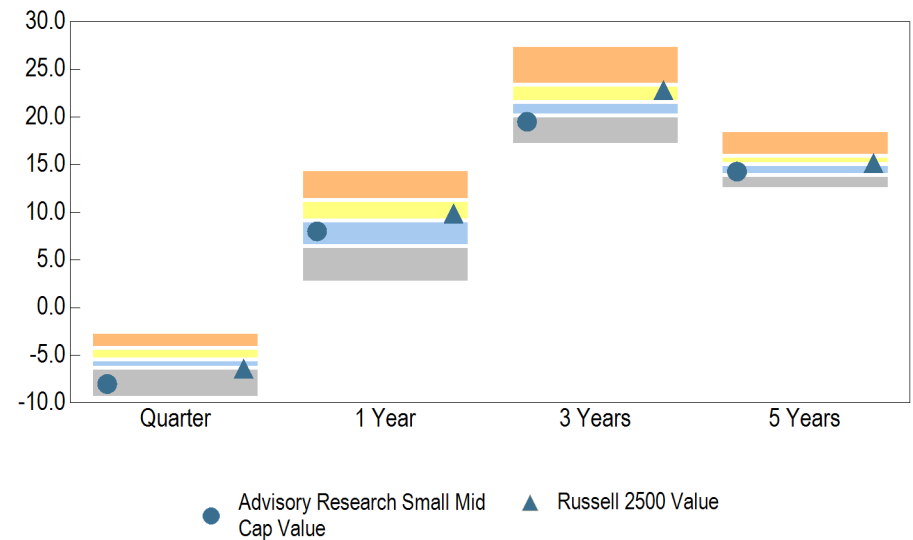
eA US Small-Mid Cap Value Equity Net Accounts  
Ending September 30, 2014



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2014



eA US Small-Mid Cap Value Equity Net Accounts  
Ending September 30, 2014



## Westfield Capital All Cap

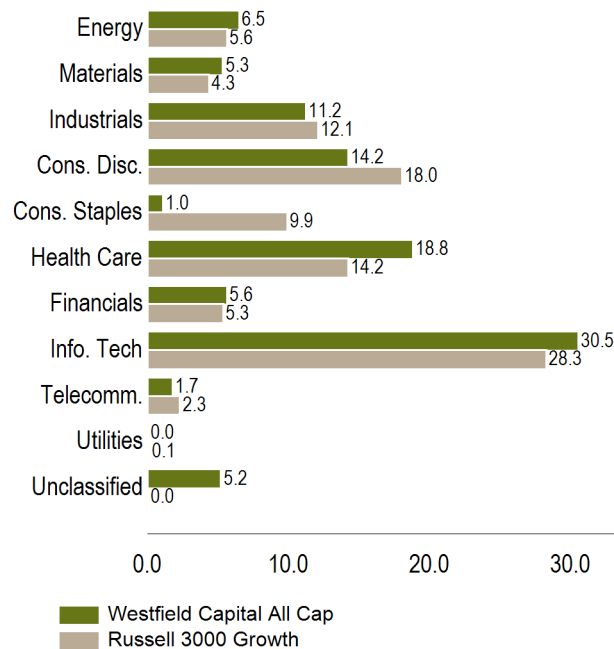
September 30, 2014

Westfield is a fundamental, bottom-up manager investing in earnings growth stocks due to their conviction that stocks follow earnings progress and that they offer the best opportunity for superior real rates of return. Westfield generates themes to drive investment ideas in specific areas throughout the capitalization spectrum. This is particularly the case in cyclical sectors such as energy. The firm does utilize screens; however, most of their themes are driven from their understanding of the sectors that each analyst covers. The analysts' network and industry knowledge are the most critical components of the idea generation stage, and as bottom up investors, Westfield does not use the benchmark as a part of the portfolio construction process.

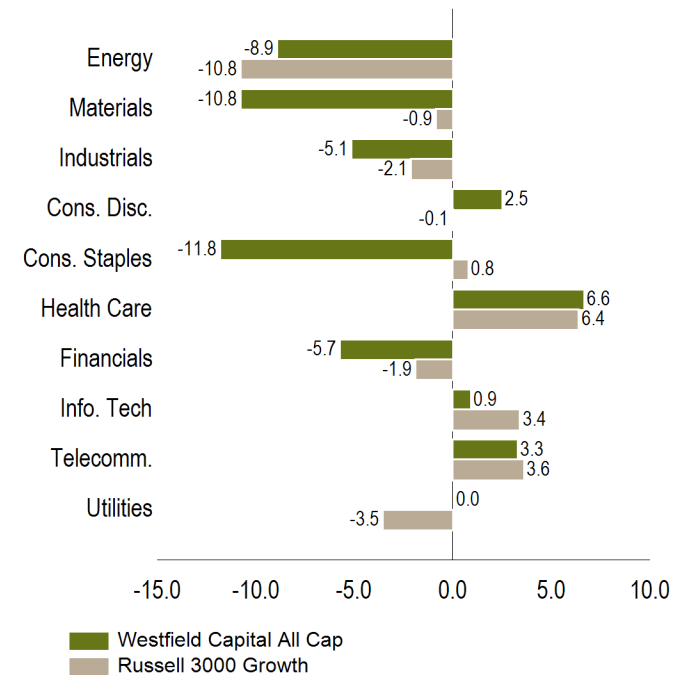
## Top Holdings

APPLE	5.4%
CELGENE	4.0%
ACTAVIS	3.1%
MICROSOFT	2.7%
TEVA PHARM.INDS.ADR 1:1	2.4%
COMCAST 'A'	2.3%
CUBIST PHARMACEUTICALS	2.2%
MONSANTO	2.0%
GOOGLE 'A'	2.0%
PRICELINE GROUP	1.9%

## Sector Allocation (%) vs Russell 3000 Growth



## Sector Returns (%) vs Russell 3000 Growth

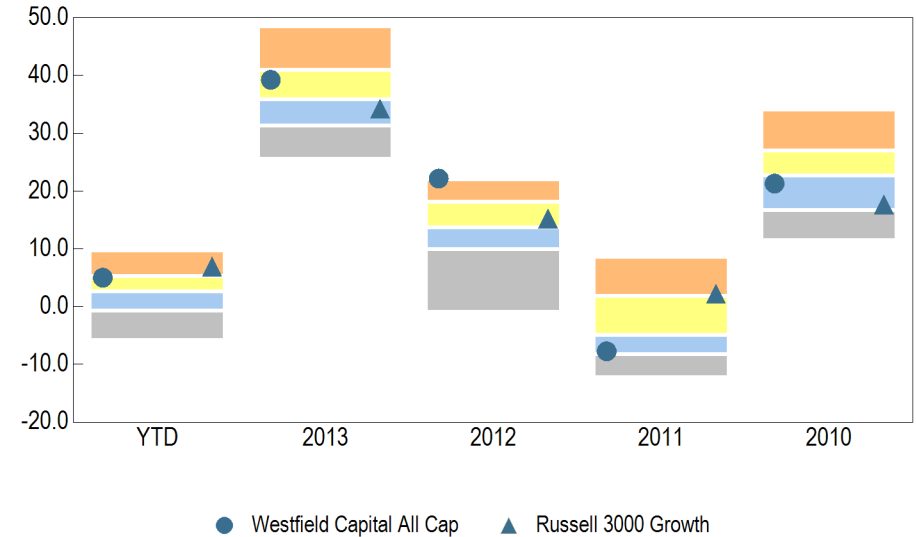


	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Westfield Capital All Cap</b>	<b>-0.8 %</b>	<b>58</b>	<b>5.0 %</b>	<b>28</b>	<b>17.4 %</b>	<b>13</b>	<b>25.1 %</b>	<b>14</b>	<b>16.4 %</b>	<b>45</b>
Russell 3000 Growth	0.9	17	6.9	16	17.9	11	22.4	34	16.4	45

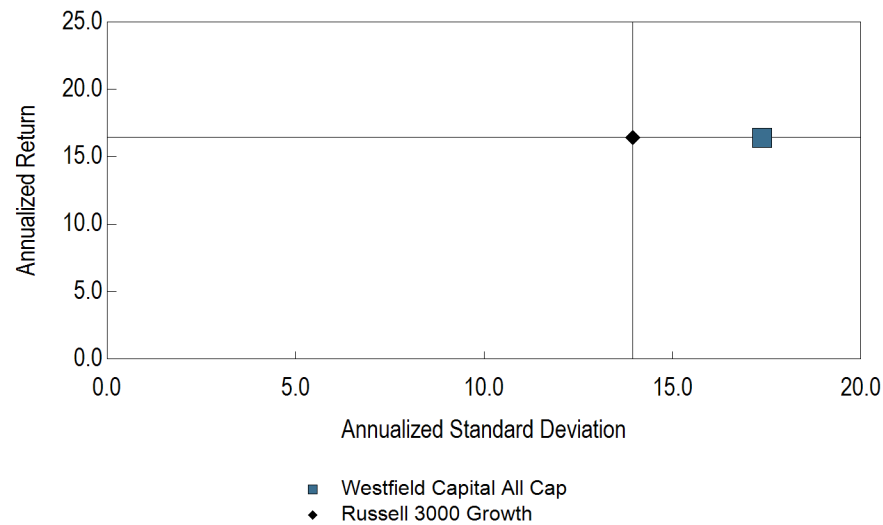
## Characteristics

	Portfolio	Russell 3000 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	26.28	23.65
P/E Excluding Negative Earnings	26.99	21.64
P/E Median	21.59	26.36
Price To Book	5.87	5.01
Price To Book Median	4.03	3.63
Price To Cash Flow	17.20	15.88
Price To Sales	4.57	2.27
Dividend Yield (%)	1.09	1.46
Weighted Ave. Market Cap. (\$B)	90.78	111.14
Median Market Cap. (\$B)	13.15	1.72

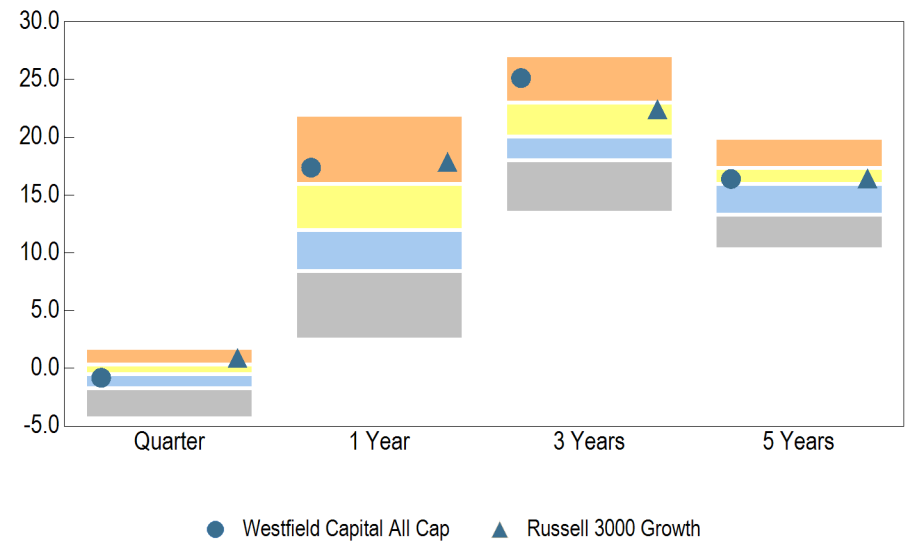
eA US All Cap Growth Equity Net Accounts  
Ending September 30, 2014



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2014



eA US All Cap Growth Equity Net Accounts  
Ending September 30, 2014



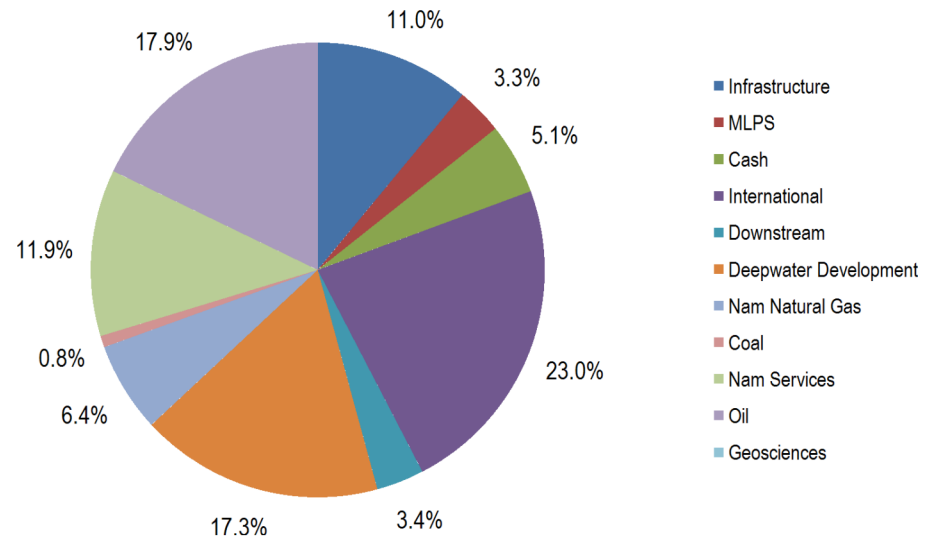
## Energy Opportunities Capital

September 30, 2014

Orleans Capital Management and Simmons & Co. formed Energy Opportunities Capital Management, L.L.C. (EOCM) as a separate entity to manage the Energy Opportunities and the related Alternative Energy investment strategies. The Energy Opportunities strategy is a long only equity investment vehicle designed to take advantage of current energy market fundamentals and the continued energy upcycle. The strategy consists of separately managed accounts with identical holdings. Investment decisions are based upon macro energy fundamentals as well as company specific data gathered and analyzed by Simmons. The portfolio consists of publicly traded securities and currently is comprised of 35 holdings. Market capitalizations of these holdings range from \$400 million to in excess of \$6 billion. Security selection is designed to take advantage of the flow of economics within the energy sector by emphasizing certain energy subsectors (drillers, oil service, refiners) and to focus on companies with superior earnings growth.

### Top Holdings

HALLIBURTON	8.3%
BAKER HUGHES	8.0%
SCHLUMBERGER	7.9%
CAMERON INTERNATIONAL	7.7%
NATIONAL OILWELL VARCO	6.8%
FMC TECHNOLOGIES	6.2%
EOG RES.	4.4%
DRIL-QUIP	4.0%
OCEANEERING	3.2%
ANADARKO PETROLEUM	3.1%



	Third Quarter	Year-To-Date	1 Year Ending 9/30/14	3 Years Ending 9/30/14	5 Years Ending 9/30/14
<b>Energy Opportunities Capital Live &amp; Composite</b>	<b>-12.4 %</b>	<b>-2.4 %</b>	<b>-0.1 %</b>	<b>11.5 %</b>	<b>7.3 %</b>
OIH/XLE Blended Energy Index	-11.6	3.6	9.1	15.8	10.1



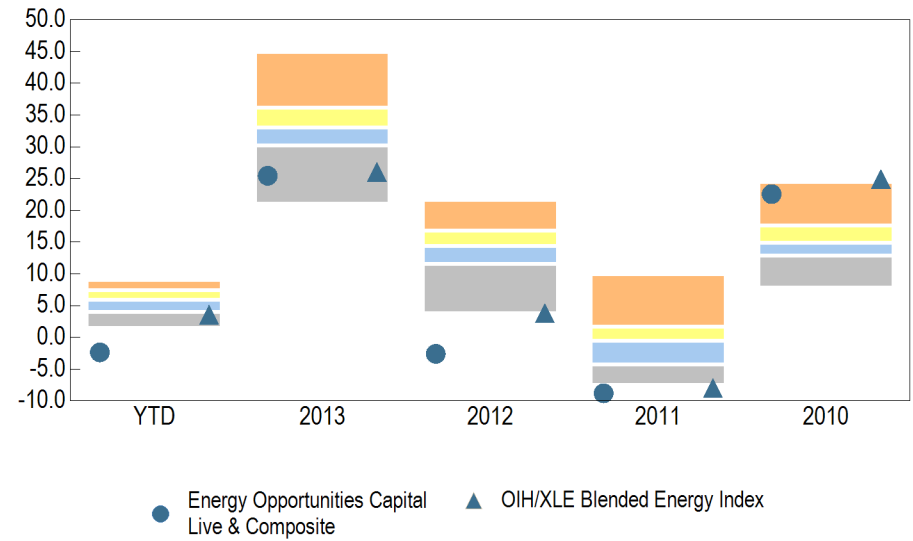
## Characteristics

Portfolio

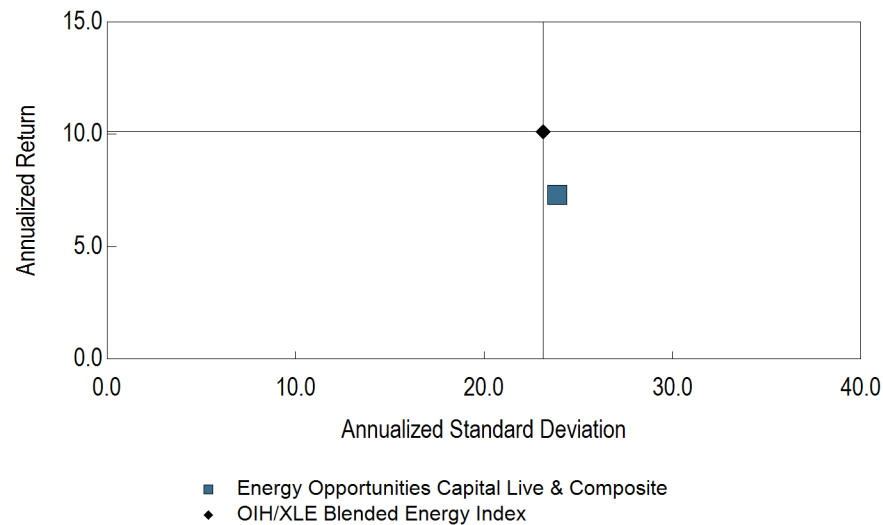
### PORTFOLIO CHARACTERISTICS

Price To Earnings	23.48
P/E Excluding Negative Earnings	23.48
P/E Median	20.85
Price To Book	3.11
Price To Book Median	2.74
Price To Cash Flow	10.95
Price To Sales	2.62
Dividend Yield (%)	1.09
Weighted Ave. Market Cap. (\$B)	30.74
Median Market Cap. (\$B)	11.01

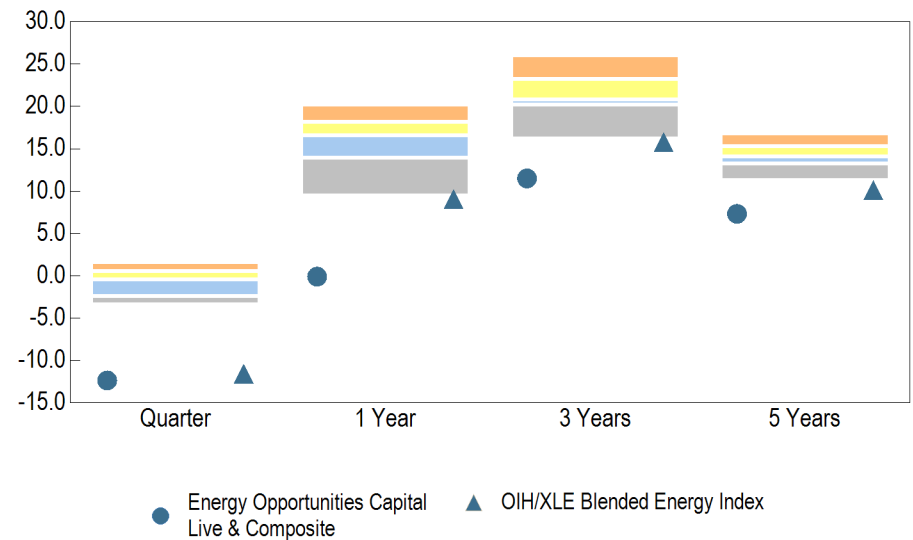
### eA US All Cap Core Equity Net Accounts Ending September 30, 2014



### Annualized Return vs. Annualized Standard Deviation 5 Years Ending September 30, 2014



### eA US All Cap Core Equity Net Accounts Ending September 30, 2014



# Sage Advisory Core Taxable Fixed Income

# September 30, 2014

Sage Advisory employs a value-oriented comprehensive portfolio management approach blending active duration management, market sector rotation and undervalued security selection. Cash will be used for duration adjustment purposes or as part of a defensive mode, which could be as high as 30%. The strategy looks to provide consistent quarterly total returns while minimizing downside risk in any environment.

## Top Holdings

Federated Prime Obligations Money Market Fund Class Institutiona	25.20%
FNMA TBA 30YR 3.500% 10/15/40	13.52%
TBA	5.33%
UNITED STATES TREASURY	5.00%
FNCL 4.5 10/06	3.05%
UNITED STATES TREASURY	2.58%
UNITED STATES TREASURY	2.15%
UNITED STATES TREASURY	1.92%
UNITED STATES TREASURY	1.58%
FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.17%

## Sector Distribution History

	Sage Advisory Core Taxable Fixed Income	Barclays Aggregate
	Q3-14	Q3-14
UST/Agency	12.5%	45.2%
Corporate	73.3%	23.2%
MBS	22.2%	31.0%
ABS	16.5%	0.5%
Foreign	1.6%	--
Muni	0.8%	--
Other	-27.0%	--

## Quality Distribution History

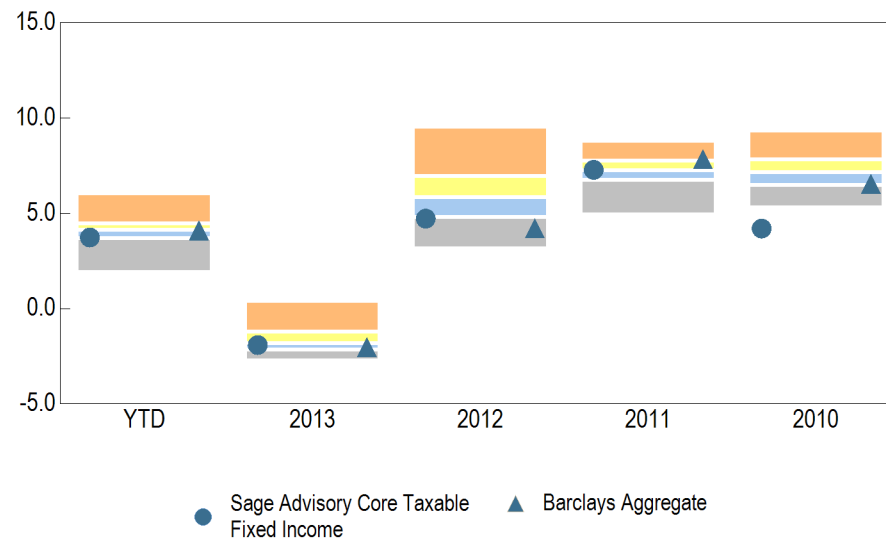
	Sage Advisory Core Taxable Fixed Income	Barclays Aggregate
	Q3-14	Q3-14
AAA	20.3%	71.7%
AA	29.5%	4.9%
A	21.9%	11.5%
BBB	26.6%	12.0%
BB and Below	1.7%	0.0%
Not Rated	--	--

	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Sage Advisory Core Taxable Fixed Income Live &amp; Composite</b>	<b>0.1 %</b>	<b>51</b>	<b>3.7 %</b>	<b>75</b>	<b>3.7 %</b>	<b>74</b>	<b>2.6 %</b>	<b>73</b>	<b>3.7 %</b>	<b>89</b>
Barclays Aggregate	0.2	41	4.1	56	4.0	65	2.4	79	4.1	73

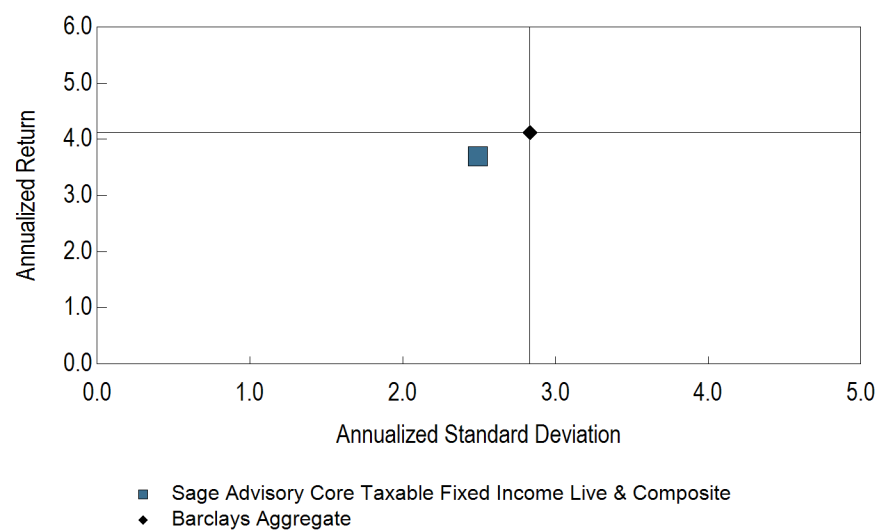
### Characteristic History

	Sage Advisory Core Taxable Fixed Income	Barclays Aggregate
	Q3-14	Q3-14
Yield to Maturity	2.2%	2.4%
Avg. Eff. Maturity	7.0 yrs.	7.7 yrs.
Avg. Duration	5.1 yrs.	5.6 yrs.
Avg. Quality	A	--

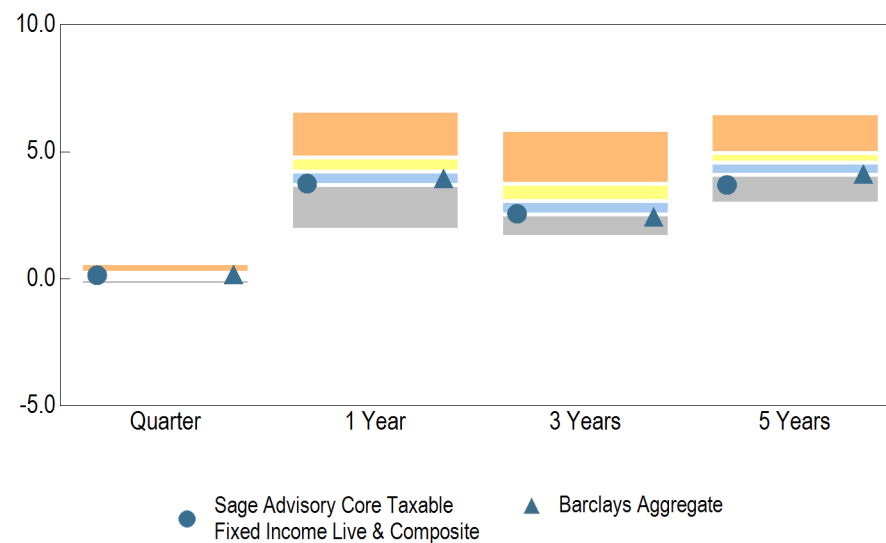
### eA US Core Fixed Inc Net Accounts Ending September 30, 2014



### Annualized Return vs. Annualized Standard Deviation 5 Years Ending September 30, 2014



### eA US Core Fixed Inc Net Accounts Ending September 30, 2014



## Orleans Capital Management Investment Grade Fixed Income

September 30, 2014

The Orleans Capital Management Investment Grade Fixed Income strategy adds value through sector and security selection designed to create an enduring yield advantage over the applicable benchmark without a material variation in quality, convexity, or other portfolio characteristics. In doing so, they overweight both the corporate and mortgage-backed sectors and underweight lower yielding government agencies and treasuries.

## Top Holdings

FHLMC GOLD 30 YR	17.00%
FH 30yr GOLD	6.97%
BOEING CAPITAL CORP	3.22%
ALTRIA GROUP INC	3.14%
TARGET CORP	3.09%
DOW CHEMICAL CO	3.08%
FORD MTR CR CO LLC 4.375% DUE 08-06-2023	3.03%
METLIFE INC	2.98%
CSX 3.700 11/01/23 '23	2.98%
FDX 4.000 01/14/24	2.97%

## Sector Distribution History

	Orleans Capital Management Investment Grade Fixed Income	Barclays Govt/Credit
	Q3-14	Q3-14
UST/Agency	--	66.1%
Corporate	67.9%	33.9%
MBS	29.1%	--
ABS	--	--
Foreign	3.0%	--
Muni	--	--
Other	--	--

## Quality Distribution History

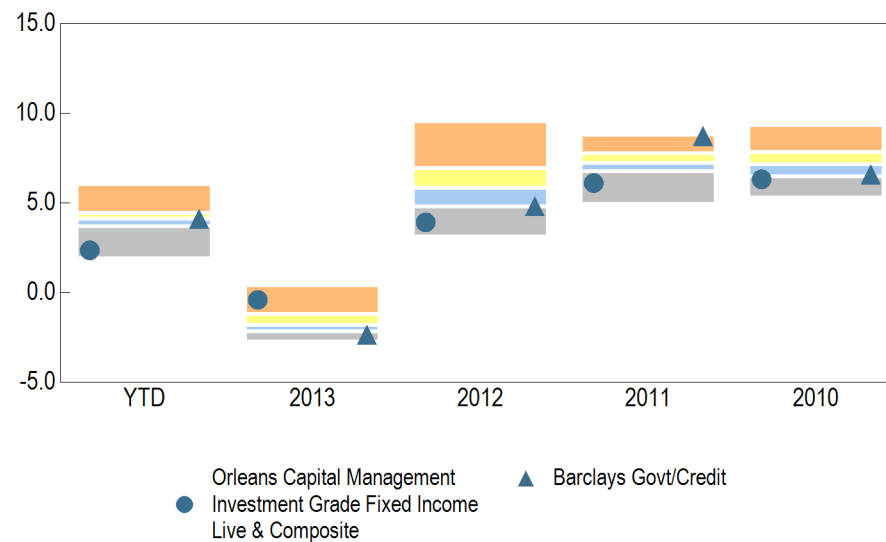
	Orleans Capital Management Investment Grade Fixed Income	Barclays Govt/Credit
	Q3-14	Q3-14
AAA	--	59.5%
AA	38.7%	6.7%
A	33.0%	16.5%
BBB	28.3%	17.3%
BB and Below	--	0.0%
Not Rated	--	--

	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Orleans Capital Management Investment Grade Fixed Income Live &amp; Composite</b>	<b>-0.2 %</b>	<b>95</b>	<b>2.4 %</b>	<b>91</b>	<b>2.8 %</b>	<b>90</b>	<b>2.3 %</b>	<b>83</b>	<b>3.8 %</b>	<b>86</b>
Barclays Govt/Credit	0.2	40	4.1	54	4.1	58	2.5	75	4.3	68

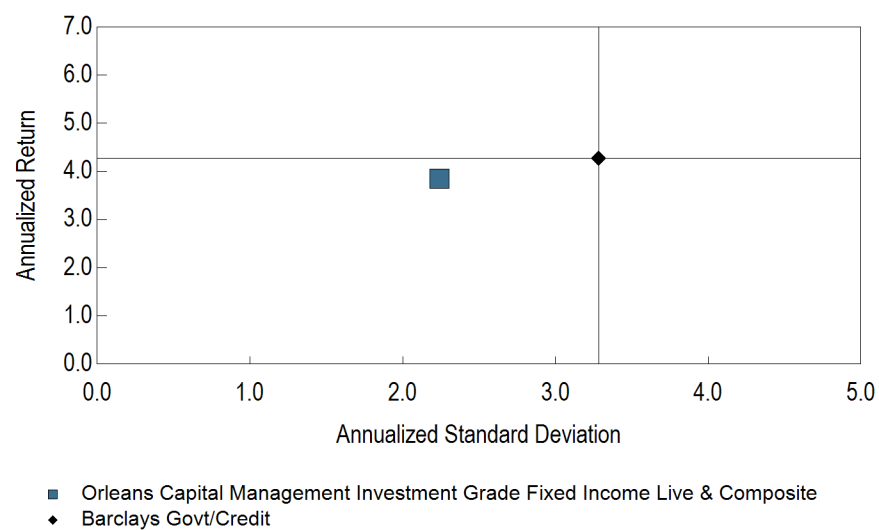
### Characteristic History

	Orleans Capital Management Investment Grade Fixed Income	Barclays Govt/Credit
	Q3-14	Q3-14
Yield to Maturity	2.6%	2.1%
Avg. Eff. Maturity	6.9 yrs.	8.1 yrs.
Avg. Duration	5.6 yrs.	5.9 yrs.
Avg. Quality	A	--

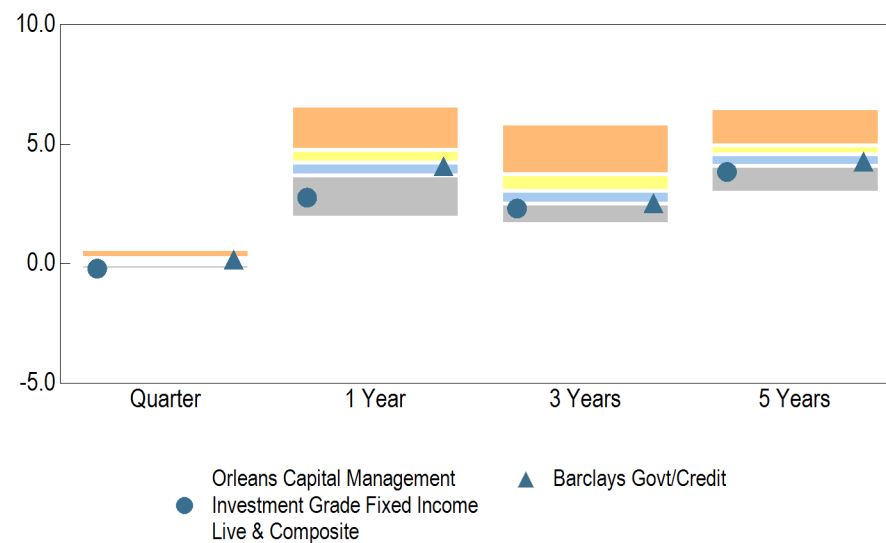
### eA US Core Fixed Inc Net Accounts Ending September 30, 2014



### Annualized Return vs. Annualized Standard Deviation 5 Years Ending September 30, 2014



### eA US Core Fixed Inc Net Accounts Ending September 30, 2014



## Victory Investment Grade Convertible Securities

September 30, 2014

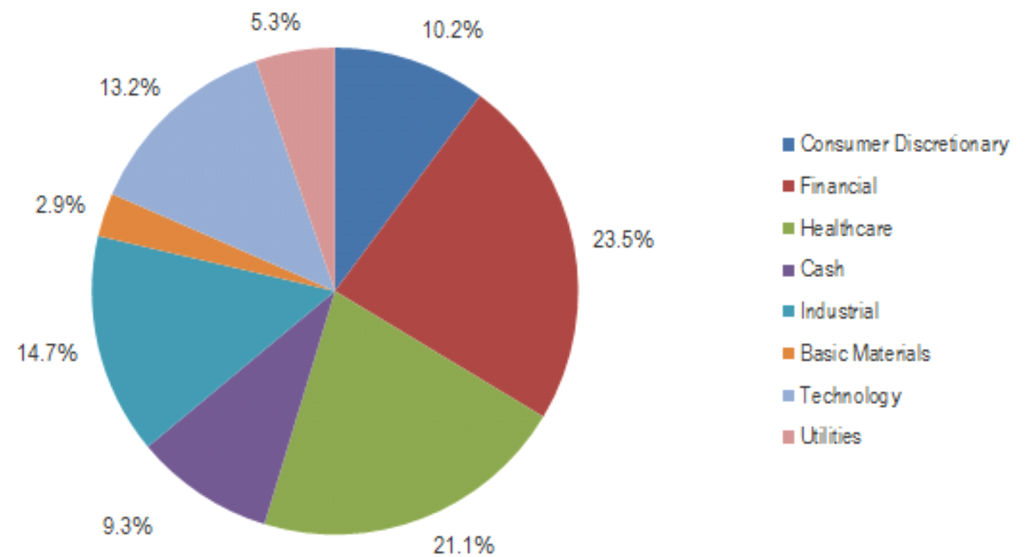
Process focuses on the intrinsic value of the underlying common stock as well as on the convertible security itself. The underlying equity analysis looks for the best combination of intrinsic value, statistical cheapness and earnings revision. The underlying fixed income analysis encompasses financial statement factors in addition to trends of pertinent financial ratios such as pre-tax interest coverage, current ratio, return on equity and profit margins. Convertible characteristics they analyze include quality, intrinsic value, conversion premium, break-even, investment value, yield advantage, call and put features, liquidity, and sensitivity/horizon analysis. They purchase when the underlying equity exhibits superior valuation characteristics, coupled with the most compelling combination of statistical cheapness and earnings revision; underlying bond exhibits solid cash flow or improving fundamentals; and convertible particulars are attractive.

### Top Holdings

GILEAD SCIENCES INC	6.62%
Federated Prime Obligations Money Market Fund Class Institutiona	6.30%
INTEL CORP	5.16%
WELLS FARGO & CO	5.12%
WELLPOINT INC	5.08%
METLIFE	4.84%
UNITED TECHNOLOGIES UNT.	3.81%
AIRTRAN HOLDINGS INC	3.73%
JOHNSON & JOHNSON	3.19%
ARES CAPITAL CORP	3.04%

### Quality Distribution History

	Q3-14
AAA	--
AA	--
A	34.1%
BBB	60.9%
BB and Below	5.0%
Not Rated	--



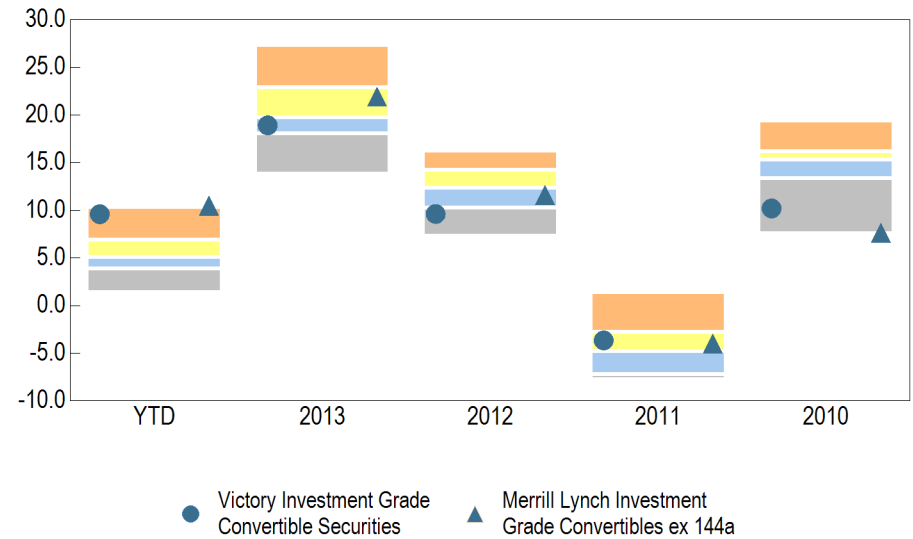
	Third Quarter		Year-To-Date		1 Year Ending 9/30/14		3 Years Ending 9/30/14		5 Years Ending 9/30/14	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Victory Investment Grade Convertible Securities</b>	<b>1.5 %</b>	<b>7</b>	<b>9.6 %</b>	<b>8</b>	<b>14.5 %</b>	<b>15</b>	<b>13.7 %</b>	<b>68</b>	<b>9.6 %</b>	<b>84</b>
Merrill Lynch Investment Grade Convertibles ex 144a	1.4	7	10.5	5	16.1	10	15.6	27	10.1	72

### Characteristic History

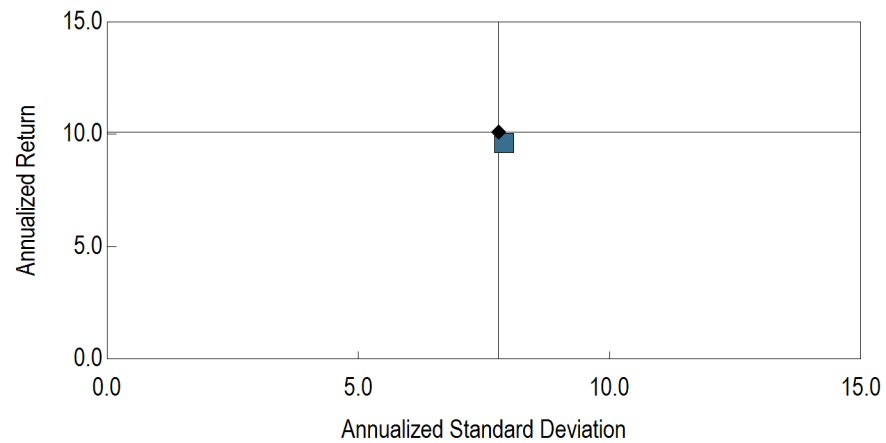
Q3-14

Yield to Maturity	1.1%
Avg. Eff. Maturity	35.8 yrs.
Avg. Duration	8.6 yrs.
Avg. Quality	BBB

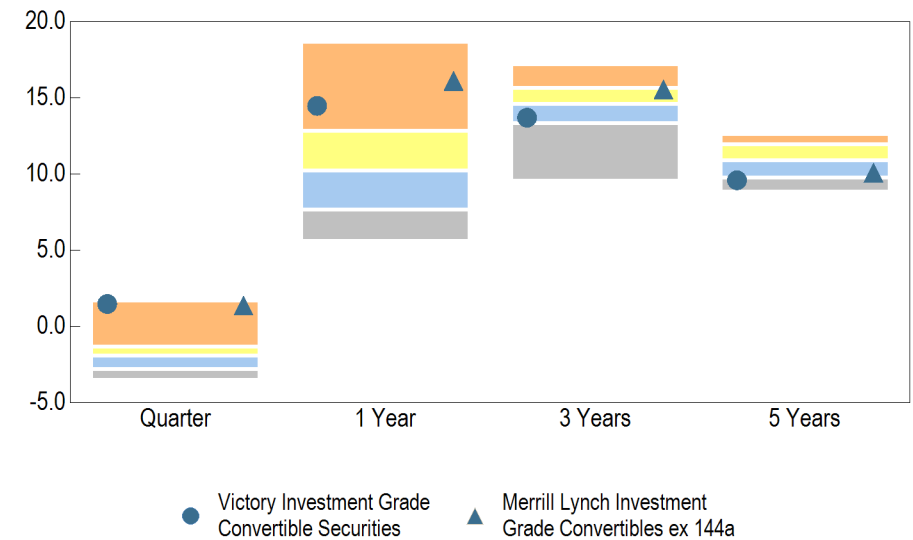
### eA US Convertibles Net Accounts Ending September 30, 2014



### Annualized Return vs. Annualized Standard Deviation 5 Years Ending September 30, 2014



### eA US Convertibles Net Accounts Ending September 30, 2014



■ Victory Investment Grade Convertible Securities  
◆ Merrill Lynch Investment Grade Convertibles ex 144a

● Victory Investment Grade Convertible Securities  
▲ Merrill Lynch Investment Grade Convertibles ex 144a

- (1) Fiscal Year end is June 30.
- (2) Performance figures prior to October 1, 2008 were provided by the prior consultant.
- (3) The Broad Market Index was comprised of 55% S&P 500 and 45% Barclays Aggregate from 12/30/1990 to 03/31/2009. The Index was changed on 03/31/2009 to include convertibles in the benchmark.
- (4) Prior to June 2010, the OIH/XLE index was comprised of 50% IXE and 50% OSX.



